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IN THE
Supreme Court of the United States
OCTOBER TERM, 1994

QUALITEX COMPANY,
Petitioner,
v.
JACOBSON PRODUCTS CO., INC.,
Respondent.

On Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit

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BRIEF OF AMICUS CURIAE INTELLECTUAL PROPERTY OWNERS IN SUPPORT OF THE PETITIONERS

GARO A. PARTOYAN
GEORGE R. POWERS
NEIL A. SMITH
ROGER S. SMITH
HERBERT C. WAMSLEY *
INTELLECTUAL PROPERTY OWNERS
1255 Twenty-Third Street, N.W.
Suite 850
Washington, D.C. 20037
(202) 466-2396
Attorneys for Amicus Curiae
* Counsel of Record

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Members of Board of Directors of Intellectual Property Owners	1a

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INTEREST OF THE AMICUS CURIAE

Intellectual Property Owners ("IPO") files this amicus curiae brief in support of petitioner Qualitex Company on the writ of certiorari to review the ruling of the United States Court of Appeals for the Ninth Circuit.

IPO was founded in 1972 by a group of individuals who were concerned about the lack of understanding of intellectual property rights in the United States. Members now include nearly one hundred large and medium size companies and some smaller businesses and independent inventors who own patents, trademarks, copyrights and

other intellectual property rights. Members of IPO's Board of Directors are listed in the addendum to this brief. IPO is a nonprofit association exempt from federal income tax under Internal Revenue Code § 501(c)(6).

Trademarks are symbols of product and service quality and indicators of source. Trademarks enable IPO's members to invest in advertising that builds commercial reputation and public confidence in product and service quality.

Members of IPO register thousands of trademarks each year with the United States Patent and Trademark Office, and enforce their registered marks in the federal courts to prevent infringement, counterfeiting, and piracy. Federal registration is important in helping assure adequate legal protection for marks that IPO's members use on new and existing products and services. It is in the interest of IPO's members for the Court to rule that the Lanham Act does not prohibit the registration of color alone as a trademark.

SUMMARY OF ARGUMENT

The question accepted for review must be answered by recourse to the language in the Lanham Act. Color is capable of distinguishing a product from the products of others, and color comes within the definition of "trademark" in the Lanham Act. None of the exceptions to registrability of marks listed in the Lanham Act have any relevance to Qualitex's mark, so the mark should have been found registrable in accordance with the plain meaning of the words of the act.

The ruling by the Court of Appeals conflicts with the policy underlying the Lanham Act of protecting against unfair competition. The Lanham Act requirements for protecting registered and unregistered marks are similar.

Registration of color alone advances the Lanham Act's objective of encouraging registration of as many of the

marks in use as practicable. Firms search registered marks to determine potential conflicts before adopting a new mark. The benefits provided by the Lanham Act to trademark owners who register their marks should be available to owners of color marks to the same extent as to owners of other kinds of marks.

ARGUMENT

I. THE PLAIN MEANING OF THE STATUTORY LANGUAGE IN THE LANHAM ACT PERMITS THE REGISTRATION OF COLOR ALONE AS A TRADEMARK

The question accepted for review—whether the Lanham Act prohibits the registration of color as a trademark—must be answered by relying on the language in the act.

Section 2(f) of the Lanham Act is the principal section that is relevant to the question of whether the act prohibits the registration of color alone as a trademark. This section, which relates specifically to marks that have become distinctive of the applicant's goods (marks that have acquired secondary meaning), reads as follows:

> Except as expressly excluded in paragraphs (a), (b), (c), (d), and (e)(3) of this section, nothing herein shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant's goods in commerce. . . .[1]

Since none of the exclusions referenced in this section relate to color, it is clear that the Lanham Act does not prohibit the registration of color alone as a trademark.

The foregoing conclusion is supported by the Court of Appeals opinion, which states:

> Registration of mere color is not explicitly barred by the Lanham Act, which provides that "[n]o trade-

[1] 15 U.S.C. § 1052(f) (Lanham Act, § 2(f)). The preamble to Section 2 of the act also indicates that marks must be registered unless one of the exceptions in the act applies: "No trademark . . . shall be refused registration . . . unless . . . ."

> mark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration," 15 U.S.C. § 1052, unless one of the specific exceptions to registrability set forth in 15 U.S.C. § 1052 applies. Color is not listed as an exception.[2]

A related question is whether the Lanham Act not only does not prohibit the registration, but in fact contemplates the registration of color alone when the color has met all of the other requirements of the act for registration. It is submitted that registration of color alone clearly is contemplated by the act. If a color has acquired secondary meaning and none of the exceptions of Section 2(f) are applicable, then a fair reading of the language of the Lanham Act taken along with legislative history supports the view that registration of the color alone is to be permitted under the act.

The term trademark is defined in Section 45 of the act as including "any word, symbol, or device, or any combination thereof . . . to identify or distinguish his or her goods . . . ." Although color is not specifically listed in the definition, it is submitted that the listed terms "symbol" and "device" include color. In 1988, Congress confirmed this interpretation of the definition, in its Senate committee report on the Lanham Act amendments of that year, stating:

> The revised definition intentionally retains
>
> . . .
>
> (iv) the words "*symbol or device*" so as not to preclude the registration of *colors*, shapes, sounds or configurations where they function as trademarks.[3]

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[2] Pet. App. 5a. IPO will use the citation form "Pet. App." and a page number to refer to the appendix to Qualitex's petition for writ of certiorari.

[3] S. Rep. No. 100-515, 100th Cong., 2d Sess. 44 (1988) (emphasis added).

The North American Free Trade Agreement (NAFTA) and its 1993 implementing legislation[4] provide further support for the proposition that color is included within the Lanham Act's definition of trademark. More particularly, Article 1708(1) of the NAFTA agreement provides:

> For purposes of this Agreement, a *trademark consists of any sign*, or any combination of signs, capable of distinguishing the goods and services of one person from those of another, *including* personal names, designs, letters, numerals, *colors*, figurative elements, or the shape of goods or of their packaging. . .[5]

Although "colors" was included in the NAFTA definition of trademark, Congress did not find it necessary in 1993 to amend the Lanham Act definition of trademark in order to implement Article 1708(1). This undoubtedly was because Congress intended in 1993, as in 1988, that "color" be included within the meaning of the terms "symbol" and "device."

Since it is clear that "color" is reasonably included within the definition of a trademark under the Lanham Act, a color should be registrable on the same basis as words, logos, and other forms of marks. Courts should not unilaterally decide to refuse registration based on non-statutory considerations when all statutory criteria for registration have been met and such registration is contemplated by the Lanham Act.[6]

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[4] Pub. L. No. 103-182, 103rd Cong., 1st Sess. (1993).

[5] North American Free Trade Agreement, 32 I.L.M. 605 (signed December 17, 1992) (emphasis added).

[6] Not all rules of trademark law are statutory. It is well-established by court decisions that functional features may not be protected or registered as trademarks, even though the Lanham Act does not explicitly prohibit registration of functional features. However, unlike registration of color, there is nothing that would lead to a conclusion that registration of functional features is contemplated by the act.

It is therefore submitted that (1) the Lanham Act does not prohibit the registration of color alone as a trademark and (2) the Lanham Act clearly contemplates the registration of color alone as a trademark.

II. THE RULING BY THE COURT OF APPEALS CONFLICTS WITH THE POLICY UNDERLYING THE LANHAM ACT OF PROTECTING AGAINST UNFAIR COMPETITION

The Court of Appeals affirmed the District Court's finding of trade dress infringement under Section 43(a)[7] of the Lanham Act, finding that: (1) the trade dress is nonfunctional, (2) the trade dress has acquired secondary meaning, and (3) there is a likelihood of confusion between the products.[8]

Although trade dress differs from a trademark by relating to the total impression created by the use of the package, and not just to the trademark itself, the factors considered in determining trade dress infringement are similar to those considered in determining trademark infringement.[9] If it is found that the facts support a finding that (1) the color itself is nonfunctional, (2) the color itself has acquired secondary meaning, and (3) there is a likelihood of confusion between products based solely on the use of the same color or confusingly similar colors,[10] then the color itself is performing as a trademark. To

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[7] 15 U.S.C. § 1125(a).

[8] Pet. App. 14a.

[9] *Cf.* Two Pesos Inc. v. Taco Cabana Inc., 120 L.Ed.2d 615, 618 (1992) ("[T]he general principles qualifying a mark for registration under § 2 of the Lanham Act are for the most part applicable in determining whether an unregistered mark is entitled to protection under § 43(a).").

[10] Nonfunctionality, secondary meaning, and likelihood of confusion, mistake, or deception are requirements for registering and enforcing a color mark. *E.g.*, In re Owens-Corning Fiberglas Corp., 774 F.2d 1116 (Fed. Cir. 1985).

deny full recognition of trademark status under the Lanham Act to color marks meeting the foregoing criteria would be inconsistent with the trademark law policy of preventing unfair competition and the deceptive and misleading use of marks.

Color is a universal language that is capable of identifying and distinguishing between competing products and providing useful information to customers.[11] Where a color has acquired secondary meaning and is nonfunctional, there can be no reason to deny exclusive rights and registration to the party who originated the mark. Such a result would promote confusion and deception in the marketplace by permitting others to adopt and use with impunity the same or confusingly similar colors (as long as the overall impressions of the products do not give rise to trade dress infringement).[12]

New entrants in a market are not deterred by a prior user's registration of color alone as a trademark. Only colors for which no competitive need exists are nonfunctional and therefore possibly registrable, and new entrants can choose from many colors that are not confusingly similar.[13]

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[11] Qualitex presented evidence that many purchasers of dry cleaning press pads do not speak or read English well. Pet. App. 13a.

[12] The Eighth Circuit Court of Appeals in *Master Distributors* concluded:

> A per se rule prohibiting the protection of color alone would essentially render a valid color trademark registration ineffective and unenforceable. This would be extremely confusing and inconsistent. Although the aquamarine blue color of MDI's Blue Max tape is not registered, we think it would be equally confusing and inconsistent to rule that registered color marks may be protected, while common law color marks may not.

Master Distributors, Inc. v. Pako Corp., 986 F.2d 219, 224 (8th Cir. 1992).

[13] The District Court in *Qualitex*, for example, found that in the industry in question the range of tones of suitable colors was in the hundreds, if not thousands.

The task of determining likelihood of confusion among shades of color is not inherently more difficult than the task of determining likelihood of confusion among words. Registrability of color does not mean registration of large numbers of color marks. The standards for secondary meaning [14] and nonfunctionality [15] are difficult to meet.

III. THE RULING BY THE COURT OF APPEALS CONFLICTS WITH THE POLICY UNDERLYING THE LANHAM ACT OF ENCOURAGING REGISTRATION OF MARKS IN ORDER TO ENABLE COMPETITORS TO KNOW OF RIGHTS IN MARKS

Registration of color alone advances the Lanham Act's objective of registering as many of the marks in use as practicable so that competitors will be able to avoid conflicts by searching a relatively complete Principal Register,[16] and Supplemental Register,[17] and will be able to learn of rights from the Federal registration symbol "®".[18]

The Lanham Act encourages registration by providing various benefits for trademark owners who register their marks.[19] These benefits should be available to owners of

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[14] Trademark Manual of Examining Procedure, 2d ed. 1993, U.S. Patent and Trademark Office, § 1202.04(e) ("The applicant must submit evidence that the proposed color mark has become distinctive of the applicant's goods in commerce. The burden of proof in such a case is substantial.").

[15] E.g., Inwood Laboratories, Inc. v. Ives Laboratories, 456 U.S. 844,853 (1982) (color of capsules functional); Brunswick Corp. v. British Seagull Ltd., —— F.3d ——, 32 USPQ 2d 1120, 1124 (Fed. Cir. 1994) (color black for outboard marine engines functional).

[16] 15 U.S.C. §§ 1052 and 1072 (Lanham Act, §§ 2 and 22).

[17] 15 U.S.C. §§ 1091, 1093 and 1094 (Lanham Act, §§ 23, 25, and 26).

[18] *See generally* J. E. Hawes, Trademark Registration Practice § 2.03 (1994).

[19] *E.g.*, 15 U.S.C. § 1072 (Lanham Act, § 22) (registration as constructive notice of claim of ownership); 15 U.S.C. § 1065 (Lanham Act, § 15) (incontestability of right to use registered mark under certain conditions).

nonfunctional color marks that have acquired secondary meaning to the same extent that benefits of registration are available to owners of other kinds of marks.

CONCLUSION

IPO urges the Court to reverse the ruling by the Court of Appeals for the Ninth Circuit that color per se cannot be registered as a trademark under the Lanham Act.

Respectfully submitted,

GARO A. PARTOYAN
GEORGE R. POWERS
NEIL A. SMITH
ROGER S. SMITH
HERBERT C. WAMSLEY *
INTELLECTUAL PROPERTY OWNERS
1255 Twenty-Third Street, N.W.
Suite 850
Washington, D.C. 20037
(202) 466-2396
Attorneys for Amicus Curiae

November 8, 1994

* Counsel of Record

ADDENDUM

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ADDENDUM

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